



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Anish Parikh, Esq.
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150 S. Wacker Dr., Suite 2600
Chicago, IL 60606

MAY 18 2016

RE: MUR 6783
Manju for Congress and Rajeev K.
Goel in his official capacity as treasurer

Dear Mr. Parikh:

On February 25, 2014, the Federal Election Commission notified your clients, Manju for Congress and Rajeev K. Goel in his official capacity as treasurer ("Committee"), of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 19, 2015, the Commission found, on the basis of the information in the complaint and information provided by responses to the complaint, that there is no reason to believe that the Committee violated 52 U.S.C. §§ 30116(f), 30118(a) or 30104(b) (formerly 2 U.S.C. §§ 441a(f), 441b(a) and 434(b)) by knowingly accepting and failing to report excessive or prohibited in-kind contributions in the form of office space, payments of staff and contractor salaries, and bus travel from Indian Americans for Freedom, NFPC, or Shalabh Kumar. Further, on April 26, 2016, the Commission dismissed the allegation that the Committee violated the Act by receiving and failing to report legal services. The Factual and Legal Analysis explaining the Commission's findings is enclosed.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) remain in effect and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Dawn M. Odrowski, the attorney assigned to this matter at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Allen", is written over the typed name.

Mark Allen
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 RESPONDENTS: Manju for Congress, Inc., and Rajeev Goel MUR 6783
6 in his official capacity as treasurer
7

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9 **I. INTRODUCTION**

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11 The Complaint in MUR 6783 alleges that Manju for Congress, Inc. ("MFC"), the
12 principal campaign committee of Manju Goel, violated the Federal Election Campaign Act of
13 1971, as amended (the "Act"), by accepting and failing to report excessive or prohibited in-kind
14 contributions from Indian Americans for Freedom, NFPC ("IAFF"), a 501(c)(4) organization,
15 and its founder, Shalabh Kumar, in the form of free office space, and payments for staff salaries
16 and other campaign expenses.¹ MFC filed a response to the Complaint ("MFC Resp.") denying
17 that it violated the Act.

18 The available information does not support the Complaint's allegations as to the failure to
19 disclose the receipt of in-kind office space, payments of staff and contractor salaries or bus
20 travel. Therefore, the Commission finds no reason to believe that Manju for Congress, Inc., and
21 Rajeev Goel in his official capacity as treasurer, violated 52 U.S.C. §§ 30116(f) or 30118(a)
22 (formerly 2 U.S.C. §§ 441a(f) and 441b(a))² by accepting excessive or prohibited in-kind
23 contributions or 52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)) by failing to report them
24 with respect to those allegations. Further, the Commission exercises its prosecutorial discretion
25 and dismisses the allegation with respect to the receipt and reporting of legal services.³

¹ Goel, a candidate in the 8th Congressional District in Illinois, lost the March 18, 2014, primary election with 21.8% of the vote.

² On September 1, 2014, the Federal Election Campaign Act of 1971, as amended (the "Act"), was transferred from Title 2 to new Title 52 of the United States Code.

³ See *Heckler v. Chaney*, 470 U.S. 821 (1985).

II. FACTS

IAFF incorporated in the State of Illinois on October 2, 2012, as a non-profit corporation and is a social welfare organization tax exempt under section 501(c)(4) of the Internal Revenue Code.⁴ Shalabh Kumar founded IAFF and served as its chairman and director until May 15, 2013, when he resigned.⁵

Following his resignation from IAFF, Kumar was actively involved in the Congressional campaign of Manju Goel, a candidate in the 2014 primary election in Illinois' 8th Congressional District. Kumar appeared with Goel at a local Republican party picnic where she announced her candidacy on September 8, 2013.⁶ According to the Complaint, Kumar managed the campaign's daily operations, including hiring and firing staff, appeared with Goel at campaign events in the district and in Washington, D.C., and handled press inquiries for the campaign.⁷

IAFF also supported Goel's election by making approximately \$267,146 in independent expenditures in support of Goel, all reported by IAFF as financed by Vikram Aditya Kumar, Shalabh Kumar's son.⁸

III. ANALYSIS

The Complaint alleges that MFC accepted and failed to report a number of excessive or prohibited in-kind contributions from IAFF or Kumar (directly or through his companies),

⁴ See Letter to Commission from Alka Tyle accompanying Form-5, IE Report, 24-Hour Report ("24 Hour Report") (Nov. 28, 2012), <http://docquery.fec.gov/pdf/789/12030954789/12030954789.pdf>. The Illinois Secretary of State's corporations database confirms that IAFF registered as a non-profit corporation on October 2, 2012, but it appears it was not in good standing at the time the Complaint was filed.

⁵ MFC Resp. at 1-2, Ex. B (Mar. 19, 2014).

⁶ Compl at 3.

⁷ *Id.*

⁸ See IAFF 48-Hour Report (Feb. 12, 2014), <http://docquery.fec.gov/pdf/615/14031183615/14031183615.pdf>; IAFF Amended 2014 April Quarterly Report (Apr. 18, 2014), <http://docquery.fec.gov/pdf/338/14940756338/14940756338.pdf> (listing Vikram Kumar as the sole contributor to IAFF).

1 including payments for the campaign's office space, staff salaries, and other services. The
2 specific allegations are addressed in turn below.

3 First, the Complaint alleges, based on attached documentation, that MFC operates out of
4 the same offices as IAFF and companies owned and operated by Kumar, yet failed to disclose
5 the receipt of any in-kind contribution for office space from any of them.⁹ The available
6 information, however, indicates that MFC paid at least \$1,050 per month in rent to Kumar's
7 company, Autotech Technologies, LP, from October 2013 through March 2014, and disclosed
8 that amount on its disclosure reports.¹⁰ Moreover, the Commission has information in its
9 possession indicating that a certified public accountant in September 2013 determined \$1,050 per
10 month to be the fair market value for the office space, and we have no information to the
11 contrary. Accordingly, it does not appear that MFC accepted and failed to report in-kind
12 contributions in the form of office space.

13 Second, the Complaint alleges that Kumar or IAFF paid the salaries or other
14 compensation for six MFC campaign staffers and a contractor during the third quarter of 2013
15 and that MFC accepted and failed to report those in-kind contributions.¹¹ The Complaint
16 apparently bases the allegation on MFC's October Quarterly Report, which discloses the receipt
17 of over \$200,000 in contributions but disbursements of only \$55 while staffers and a contractor
18 were allegedly working for the campaign. MFC responds that it had no paid staff during the
19 third quarter of 2013 because the campaign was "miniscule" during that time, and asserts that it

⁹ Compl. at 2-3.

¹⁰ See MFC Resp. at Ex. C (MFC check payable to Autotech in the amount of \$3,150 dated December 28, 2013, with memo line "Oct-Dec 2013 Rent-Internet for Office"); MFC Resp. at Ex. D (2013 Year End Report at 12 disclosing the \$3,150 payment); 2014 April Quarterly Report at 8 (\$5,100 payment to Autotech for "rent").

¹¹ Compl. at 2.

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1 brought on staff and a consultant during the fourth quarter of 2013.¹² Goel filed her Statement of
2 Candidacy on September 18, 2013, and MFC filed its Statement of Organization on the same
3 day, twelve days before the end of the reporting period. MFC's 2013 October Quarterly Report
4 shows that it raised virtually all of its funds in the last six days of the quarter, including \$25,000
5 from the candidate. Other than the campaign kick-off at the September 8, 2013, local
6 Republican Party picnic, known as the Northwest Suburban Republican Family Picnic ("NW
7 Picnic"), Complainant provides no information about any campaign activity or events during the
8 third quarter, and we are not aware of any. These facts tend to support MFC's assertion that the
9 campaign was a minimal operation at this point with little need for paid assistance. Under these
10 circumstances, it does not appear that MFC accepted and failed to report in-kind contributions in
11 the form payments for staff salaries or vendor services during the 2013 October Quarterly
12 reporting period.

13 Third, the Complaint alleges that Kumar personally paid to bus Goel supporters to the
14 NW Picnic.¹³ The allegation appears to rest only on Kumar's involvement with the event. The
15 response does not address this allegation. However, a state committee bearing the same name as
16 the NW Picnic, formed to operate the picnic and registered with the Illinois State Board of
17 Elections, disclosed a \$390 payment on September 8, 2013, for a shuttle bus for the event.¹⁴
18 Accordingly, it appears MFC did not accept or fail to report an in-kind contribution here.

¹² MFC Resp. at 2-3, Exs. D, E (2013 Year End and 2014 Pre-Primary Reports disclosing payments to staff and consultant), Exs. F-J (copies of checks).

¹³ Compl. at 3.

¹⁴ See Illinois State Board of Elections website, <http://www.elections.il.gov/CampaignDisclosure/CommitteeDetail.aspx?id=25515>.

1 Finally, the Complaint alleges that MFC failed to disclose the value of legal services
2 provided by Kumar's personal attorney to represent Goel in a State Board of Elections hearing
3 challenging her nominating petitions.¹⁵ MFC acknowledges that attorney Cary Fleischer
4 represented Goel, but denies that MFC had any involvement in that case and asserts that the fee
5 arrangements for the attorney's services are "outside the jurisdiction of the [Act]."¹⁶ In the
6 proper ordering of its priorities and limited resources, the Commission dismisses this
7 allegation.¹⁷

8 Therefore, the Commission finds no reason to believe that Manju for Congress, Inc., and
9 Rajeev Goel in his official capacity as treasurer violated 52 U.S.C. §§ 30118(a), 30116(f) or
10 30104(b) (formerly 2 U.S.C. §§ 441b(a), 441a(f) and 434(b)) by accepting and failing to disclose
11 the receipt of in-kind office space, payments of staff and contractor salaries, or bus travel, and
12 dismisses the allegation with respect to the receipt and reporting of legal services.

¹⁵ Compl. at 4.

¹⁶ MFC Resp. at 2.

¹⁷ *Heckler v. Chaney*, 470 U.S. 821 (1985).